Michigan Office of Administrative Hearings and Rules
P.O. Box 30639
Lansing, MI 48909

Date Mailed: August [redacted], 2025
Docket No.: 25-013918
Case No.: [redacted]
Petitioner: OFFICE OF INSPECTOR GENERAL (OIG)

[redacted]

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এটি একটি গুরুত্বপূর্ণ আইনি ডকুমেন্ট। দয়া করে কেউ দস্তাবেজ অনুবাদ করুন।

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Ky është një dokument ligjor i rëndësishëm. Ju lutem, kini dikë ta përktheni dokumentin.

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HEARING DECISION FOR INTENTIONAL PROGRAM VIOLATION

The Michigan Department of Health and Human Services (MDHHS or the Department) requested a hearing alleging that Respondent [redacted] committed an intentional program violation (IPV). Pursuant to MDHHS' request and in accordance with MCL 400.9, 7 CFR 273.16, 42 CFR 431.230(b), and 45 CFR 235.110, and Mich Admin Code, R 400.3130 and R 400.3178, this matter is before the undersigned Administrative Law Judge. After due notice, a hearing was held via telephone conference on July 31, 2025. Bethany Belill, Regulation Agent of the Office of Inspector General (OIG), represented MDHHS. Respondent did not appear at the hearing, and it was held in Respondent's absence pursuant to 7 CFR 273.16(e)(4); Mich Admin Code, R 400.3130(5); or Mich Admin Code, R 400.3178(5).

ISSUES

1. Did MDHHS establish, by clear and convincing evidence, that Respondent committed an IPV concerning Food Assistance Program (FAP) benefits?

2. Should Respondent be disqualified from receiving benefits for FAP?

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. On August 9, 2021, Respondent applied for FAP benefits for a three-person group, consisting of her two minor children and herself. Prior to submission of the application, Respondent must review rights and responsibilities as a FAP recipient (Exhibit A, pp. 6-11)

2. On August 22, 2021, Respondent began to work for [redacted] (Employer), receiving her first paycheck on September 3, 2021, and working through March 11, 2022 (Exhibit A, pp. 26-29).

3. On August 24, 2021, MDHHS issued a Notice of Case Action to Respondent informing her that she was eligible for FAP benefits. MDHHS notified Respondent that she is a Simplified Reporter (SR) and that the only change that she is responsible to report to MDHHS is if her household gross income exceeds the SR limit of [redacted] (Exhibit A, pp. 12-18).

4. On October 8, 2021, MDHHS issued a Notice of Case Action to Respondent informing her that she was eligible for FAP benefits. MDHHS notified Respondent that she is a SR and that the only change that she is responsible to report to MDHHS is if her household gross income exceeds the SR limit of [redacted] (Exhibit A, pp. 19-25).

5. In November and December 2021, Respondent received [redacted] in FAP benefits (Exhibit A, p. 37).

6. Respondent does not have an apparent physical or mental impairment that would limit the understanding or ability to accurately report her household's earned income.

7. Respondent has no prior FAP IPV disqualifications.

8. On April 17, 2025, MDHHS' OIG filed a hearing request alleging that Respondent intentionally failed to report exceeding the SR limit and as a result received FAP benefits from November 1, 2021, through December 31, 2021 (fraud period) that Respondent was ineligible to receive. OIG requested that Respondent be disqualified from receiving FAP benefits for a period of 12 months due to committing an IPV. OIG stated that the FAP overpayment amount, which exceeded $500, was previously established and is not at issue in this case.

9. A notice of hearing was mailed to Respondent at the last known address and was not returned by the United States Postal Services as undeliverable.

CONCLUSIONS OF LAW

MDHHS policies are contained in the MDHHS Bridges Administrative Manual (BAM), Bridges Eligibility Manual (BEM), Adult Services Manual (ASM), and Reference Tables Manual (RFT). The Food Assistance Program (FAP) [formerly known as the Food Stamp program] is funded under the federal Supplemental Nutrition Assistance Program (SNAP) established by the Food and Nutrition Act of 2008, as amended, 7 USC 2011 to 7 USC 2036a. It is implemented by the federal regulations contained in 7 CFR 273. MDHHS administers FAP pursuant to MCL 400.10 of the Social Welfare Act, MCL 400.1 *et seq*., and Mich Admin Code, R 400.3001 to R 400.3031.

Intentional Program Violation:

An IPV occurs when a recipient of MDHHS benefits intentionally made a false or misleading statement, or misrepresented, concealed, or withheld facts. 7 CFR 273.16(c)(1). Effective October 1, 2014, MDHHS's OIG requests IPV hearings for cases where (1) the total repayment amount sought from Respondent for all programs combined is $500 or more or (2) the total repayment amount sought from Respondent for all programs combined is less than $500 but the group has a previous IPV, the matter involves concurrent receipt of assistance, the IPV involves FAP trafficking, or the alleged fraud is committed by a state government employee. BAM 720 (October 2017), pp. 12-13.

To establish an IPV, MDHHS must present clear and convincing evidence that the household member committed, and intended to commit, the IPV. 7 CFR 273.16(e)(6); BAM 720, p. 1. Clear and convincing evidence is evidence sufficient to result in "a firm belief or conviction as to the truth of the precise facts in issue." *Smith v Anonymous Joint Enterprise*, 487 Mich 102, 114-115; 793 NW2d 533 (2010); see also M Civ JI 8.01. Evidence may be uncontroverted and yet not be clear and convincing; conversely, evidence may be clear and convincing despite the fact that it has been contradicted. *Smith* at 115. The clear and convincing standard is "the most demanding standard applied in civil cases." *In re Martin*, 450 Mich 204, 227; 538 NW2d 399 (1995). For an IPV based on inaccurate reporting, MDHHS policy also requires that the individual have been clearly and correctly instructed regarding the reporting responsibilities and have no apparent physical or mental impairment that limits the ability to understand or fulfill these reporting responsibilities. BAM 720, p. 1.

MDHHS alleges that during the fraud period Respondent was a simplified reporter who committed an IPV based on her failure to timely report when the household exceeded the simplified reporting earned income limit. Simplified reporters are only required to report when the group's actual gross monthly income (not converted) exceeds the simplified reporting limit for their group size. If the group has an increase in income, the group must determine their total gross income at the end of that month. If the total gross income exceeds the group's SR income limit, the group must report this change to their specialist by the 10th day of the following month, or the next business day if the 10th day falls on a weekend or holiday. Once assigned to SR, the group remains in SR throughout the current benefit period unless they report changes at their semi-annual contact or redetermination that make them ineligible for SR. BAM 200 (January 2020) p. 1. The simplified reporting limit is equal to the gross income limit for the group size. BAM 200, p. 2. The only client error overissuances related to simplified reporting that can occur for FAP groups in SR are when the group fails to report that income exceeds the group's SR income limit, or the client voluntarily reports inaccurate information. For failure to report income over the limit, the first month of the overissuance is two months after the actual monthly income exceeded the limit. BAM 200, pp. 5-6.

In this case, Respondent began to work for Employer between the time that she applied for FAP benefits and receiving the Notice of Case Action that she was approved for benefits. Respondent received her first paycheck on September 3, 2021, and worked

through March 11, 2022. Respondent did not report this income to MDHHS. On August 24, 2021, MDHHS issued a Notice of Case Action to Respondent informing her that she was eligible for FAP benefits. MDHHS notified Respondent that she is a SR, and that the only change that she is responsible to report to MDHHS is if her household gross income exceeds the SR limit of [redacted] On October 8, 2021, MDHHS issued a Notice of Case Action to Respondent informing her that she was eligible for FAP benefits. MDHHS notified Respondent that she is a SR and that the only change that she is responsible to report to MDHHS is if her household gross income exceeds the SR limit of [redacted]. Respondent was clearly instructed on her responsibilities as a SR. The evidence presented shows that Respondent was ignoring her SR responsibilities with the requisite intent to fraudulently maintain FAP benefits by failing to report exceeding this limit. Given that the Respondent's household was over the simplified reporting limit during the fraud period when she began employment, she should have been alerted that this excess income must be reported to MDHHS. The lack of reporting when over the simplified reporting limit is consistent with an intent to fraudulently maintain or prevent a reduction of FAP benefits. In considering the record as a whole, MDHHS' evidence shows by clear and convincing evidence that Respondent intentionally failed to report her household's income in order to maintain FAP benefits.

Therefore, MDHHS has presented clear and convincing evidence that Respondent committed an IPV.

IPV Disqualification

An individual who is found pursuant to an IPV disqualification hearing to have committed a FAP IPV is disqualified from receiving benefits for the same program for 12 months for the first IPV, 24 months for the second IPV, and lifetime for the third IPV. 7 CFR 273.16(b)(1); BAM 720, p. 16. As discussed above, MDHHS has established by clear and convincing evidence that Respondent committed an IPV. There was evidence of no prior FAP IPV by Respondent. Because this was Respondent's first IPV for FAP, Respondent is subject to a 12-month disqualification from receipt of FAP benefits.

Overissuance:

When a client group receives more benefits than entitled to receive, MDHHS must attempt to recoup the OI as a recipient claim. 7 CFR 273.18(a)(2); BAM 700 (October 2018), p. 1. The OI amount was previously established by MDHHS and not at issue in this case.

DECISION AND ORDER

The Administrative Law Judge, based upon the above Findings of Fact and Conclusions of Law, and for the reasons stated on the record, if any, concludes that:

1. MDHHS has established by clear and convincing evidence that Respondent committed an IPV.

2. Respondent is subject to a 12-month disqualification from FAP benefits.

IT IS ORDERED that Respondent be personally disqualified from FAP for a period of 12 months.

DANIELLE NUCCIO
ADMINISTRATIVE LAW JUDGE

APPEAL RIGHTS: Respondent may appeal this Hearing Decision to the circuit court. Rules for appeals to the circuit court can be found in the Michigan Court Rules (MCR), including MCR 7.101 to MCR 7.123, available at the Michigan Courts website at courts.michigan.gov. The Michigan Office of Administrative Hearings and Rules (MOAHR) cannot provide legal advice, but assistance may be available but assistance may be available through the State Bar of Michigan at https://lrs.michbar.org or Michigan Legal Help at https://michiganlegalhelp.org. A copy of the circuit court appeal should be sent to MOAHR. A circuit court appeal may result in a reversal of the Hearing Decision.

Either party who disagrees with this Hearing Decision may also send a written request for a rehearing and/or reconsideration to MOAHR within 30 days of the mailing date of this Hearing Decision. The request should include Petitioner's name, the docket number from page 1 of this Hearing Decision, an explanation of the specific reasons for the request, and any documents supporting the request. The request should be sent to MOAHR:

- by email to MOAHR-BSD-Support@michigan.gov, **OR**
- by fax at (517) 763-0155, **OR**
- by mail addressed to
  Michigan Office of Administrative Hearings and Rules
  Rehearing/Reconsideration Request
  P.O. Box 30639
  Lansing Michigan 48909-8139

Via Electronic Mail:

Petitioner
OFFICE OF INSPECTOR GENERAL (OIG)
PO BOX 30062
LANSING, MI 48909-7562
MDHHS-OIG-HEARINGS@MICHIGAN.GOV

Documents sent via email are not secure and can be faxed or mailed to avoid any potential risks. Requests MOAHR receives more than 30 days from the mailing date of this Hearing Decision may be considered untimely and dismissed.

Via First Class Mail:

Respondent

[redacted]